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Approved For Release 2002/07/10 : CIA-RDP67B00820R0005

**SECRET**

ROUTING			
000408368	DB/DPD	4	DB/DPD/C
2	ID/P	5	" "
3	A/CH/DPD	6	RI/DPD

DATE : 9 JANUARY 1961

TO :

FROM: DIRECTOR

CONF: ~~OPD (1-2-3-4-5-6-7-8-9-10)~~

INFO : S/C (11)

## MHC

25X1A

TOR: 10 JAN 61 1453Z

25X1A 01779960

TO	
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INFO

CITE

652

REQUEST YOU SUBMIT MONTHLY, IN TRIPLICATE, INFORMAL TECHNICAL-

25X1A

### PROGRESS REPORTS UNDER TASK ORDER 5 TO CONTRACT

END OF MESSAGE

DB/BPD

**Mr. Parangoosky**

25X1A

25X1A

CHIEF, CONTR. BRANCH, DPD

RELEASING OFFICER

### COORDINATING OFFICERS

**S E C R E T**

AUTHENTICATING OFFICER

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COPY 1 OF 1

November 18, 1960

STATINTL

[Redacted]

STATINTL

Attention:

Contract Administrator

STATINTL

Subject: Contract [Redacted]  
Subcontract 006

STATINTL

Gentlemen:

I have [Redacted] letter of November 17, 1960. We know that you will use appropriate power levels in testing the traveling wave resonator to determine the losses in the ring called for under this subcontract and have no hesitation in accepting your indication that you propose to test it at low power levels. Since the subcontract does not specify any power levels, we feel that the understanding reflected in our exchange of correspondence is sufficient without making formal changes in the subcontract wording.

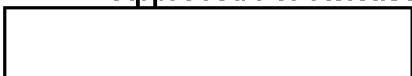
I do not understand precisely what you have in mind in your suggestion for amending Paragraph 8 of Part II, General Provisions since the wording suggested does not seem to fit that paragraph. Would you please explain what you had in mind? I am sure, however, that there is nothing here which could lead to disagreement.

Your suggestion for accepting the overhead rate established by your Navy Auditor on the basis of your fiscal year is entirely acceptable to us.

Enclosed is a substitute Page 29 to be inserted in the contract General Provisions which reflects your request.

STATINTL

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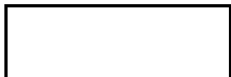
-2-

November 18, 1960

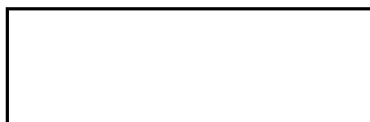
Also enclosed for insertion in Part II of the sub-  
contract is a Table of Contents sheet which was inadvertently  
omitted.

Very truly yours,

STATINTL



Enclosures (2)



STATINTL

TABLE OF CONTENTS

1. Definitions	<u>Page</u> 1
2. Clauses Incorporated by Reference	1
a. Changes	2
b. Limitation of Cost	
c. Inspection and Correction of Defects	
d. Subcontracts	
e. Utilization of Small Business Concerns	
f. Termination	
g. Excusable Delays	
h. Notice and Assistance Regarding Patent Infringement	3
i. Buy American Act	
j. Convict Labor	
k. Eight Hour Law of 1912	
l. Nondiscrimination in Employment	
m. Officials not to Benefit	
n. Covenant Against Contingent Fees	
o. Basic Data Clause	
p. Military Security Requirements	
q. Walsh-Healy Contracts Act	
r. Gratuities	
s. Standards of Work	
t. Overtime Compensation	
3. Allowable Cost, Fixed Fee and Payment	3
4. Records	7
5. Patent Rights	10
6. Authorization and Consent	19
7. Independent Contractor	19
8. Reproduction Rights	20
9. Nondisclosure of Information	20
10. Amendments Required By Prime Contract	21
11. Assignment of Claims	21
12. Filing of Patent Applications	21
13. Approval of Contract	22
14. Government Property	22
15. Negotiated Overhead Rates	29

STATINTL

(j) Directions of [ ] and the Contracting Officer and communications of the Subcontractor issued pursuant to this clause shall be in writing.

15. NEGOTIATED OVERHEAD RATES:

(a) Notwithstanding the provisions of the clause of this contract entitled "Allowable Cost, Fixed Fee, and Payment," the allowable indirect costs under this subcontract shall be obtained by applying negotiated overhead rates to bases agreed upon by the parties, as specified below.

(b) The Subcontractor, as soon as possible but not later than ninety (90) days after the close of his current fiscal year, shall submit to [ ] a proposed final overhead rate or rates for that fiscal year based on Subcontractor's cost experience during that fiscal year, together with supporting cost data. Negotiation of final overhead rates applicable to this subcontract shall be undertaken by the Subcontractor and [ ] as promptly as practicable after receipt of the Subcontractor's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with ASPR, Section XV, Part II, as in effect on the date of this subcontract.

(d) The results of each negotiation shall be set forth in an amendment to this subcontract, which shall specify (i) the agreed final rates, (ii) the bases to which the rates apply, (iii) the periods for which the rates apply and (iv) the specific items treated as direct costs or any changes in the items previously agreed to be direct costs.

(e) Pending establishment of final overhead rates for any period, the Subcontractor shall be reimbursed either at negotiated provisional rates as provided in the Schedule or at billing